

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

UNITED STATES OF AMERICA)
)
Petitioner,)
V.) CIVIL NO. SA-23-CV-151-
)
\$1,562,344.27, MORE OR LESS, SEIZED)
FROM BANK OF OKLAHOMA ACCOUNT)
NUMBER XXXXXX5165,)
)
Respondent.)

VERIFIED COMPLAINT FOR FORFEITURE

Comes now Petitioner United States of America, by and through the United States Attorney for the Western District of Texas and the undersigned Assistant United States Attorney, pursuant to Rule G, Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions, FED. R. CIV. P., and respectfully states as follows:

I.
NATURE OF THIS ACTION

This action is brought by the United States of America seeking forfeiture to the United States of the following property:

**\$1,562,344.27, More or Less, Seized from Bank of Oklahoma Account Number
XXXXXX5165,**

hereinafter the Respondent Property.

II.
JURISDICTION AND VENUE

Under Title 28 U.S.C. § 1345, this Court has jurisdiction over an action commenced by the United States, and under Title 28 U.S.C. § 1355(a), jurisdiction over an action for forfeiture. This

Court has *in rem* jurisdiction over the Respondent Property under Title 28 U.S.C. §§1355(b) and 1395. Venue is proper in this district pursuant to Title 28 U.S.C. § 1355(b)(1) because the acts or omissions giving rise to the forfeiture occurred in this district, and pursuant to Title 28 U.S.C. §§ 1355(b)(1)(B) and 1395(b) because the Respondent Property is found in this district.

III.
STATUTORY BASIS FOR FORFEITURE

This is a civil forfeiture action *in rem* brought against the Respondent Property for violations of Title 18 U.S.C. §§ 1343 & 1349 (Wire Fraud and Conspiracy to Commit Wire Fraud), and subject to forfeiture to the United States of America pursuant to Title 18 U.S.C. § 981(a)(1)(C), which states:

§ 981. Civil forfeiture

(a)(1) The following property is subject to forfeiture to the United States:

(C) Any property, real or personal, which constitutes or is derived from proceeds traceable to . . . any offense constituting “specified unlawful activity” (as defined in section 1956(c)(7) of this title), or a conspiracy to commit such offense.

Wire Fraud is an offense constituting “specified unlawful activity” as defined in section 1956(c)(7) of this title, by section 1961(1) of this title, which states in pertinent part as follows:

§ 1961. Definitions

As used in this chapter—

“racketeering activity” means . . . (B) any act which is indictable under any of the following provisions of title 18, United States Code: . . . section **1343** (relating to wire fraud) . . .

IV.
FACTS IN SUPPORT OF VIOLATIONS

On April 14, 2022, Senior Special Agent (SSA) Jason Bollen, United States Secret Service (USSS), San Antonio Field Office (SAT), South Texas Regional Task Force, received information from an investigator with Wells Fargo Bank, advising that account number XXXXXX4127, in the

name of Howard Nelms and Madeleine Nelms, located in Canyon Lake, TX, (which is in the Western District of Texas) received a \$5,000,000.00 wire transfer on March 23, 2022, from Chase Bank customer Horizon Devco LLC. The investigator with Wells Fargo Bank requested assistance from the USSS because he believed that the wire transfer contained proceeds related to a \$12,690,977.00 Business Email Compromise (BEC) scam involving one of Chase Bank's largest customers, Kohlberg Kravis Roberts & Co. (KKR), located in New York, NY. A BEC scam occurs when an individual with payment authority in a business receives an email containing fraudulent payment information, and based on the information, the individual sends payment to a fraudulent account, typically a money mule.

On April 14, 2022, Affiant contacted an investigator with Chase Bank who advised that KKR wired a total of \$12,690,977.00 (on March 18, 2022, \$5,790,977.00 and on March 30, 2022, \$6,900,000.00) to Chase Bank account number XXXXX8650, in the name of Horizon Devco, LLC, located in Scottsdale, AZ. The investigator advised that most of the funds were dispersed from XXXXX8650, in the form of several separate wire transfers: relevant to this affidavit, on March 23, 2022, \$5,000,000.00 was wired to Wells Fargo Bank account number XXXXXX4127, in the name of Howard Nelms and Madeline Nelms. The investigator advised that Chase Bank attempted to recall as much of the wired funds as possible but needed USSS assistance for proceeds that were moved through multiple accounts to different locations.

Affiant contacted James Pastore, the attorney representing KKR, who stated that KKR was defrauded of \$12,690,977.00 via two wire transfers, one on March 18, 2022, for \$5,790,977.00 and one on March 30, 2022, for \$6,900,000.00, due to a BEC scam. Pastore indicated that KKR was attempting to pay quarterly distributions to Great Wall Asset Management (GWAM). Pastore stated that on March 11, 2022, KKR received what later was determined to be a "spoofed"

email from “pchui@gwamchk.com”, which falsely held itself out as GWAM, whose genuine email address is: “pchui@gwamcc.com.hk”. This email also contained fraudulent payment instructions to Chase Bank account number XXXXXX8650. Pastore stated that based on the fraudulent instructions, \$5,790,977.00 was wired out of their Chase Bank account on March 18, 2022. Pastore continued that on March 16, 2022, KKR received a second spoofed email from “pchui@gwamchk.com” which contained fraudulent payment instructions to the same Chase Bank account. Based on this fraudulent information, \$6,900,000.00 was wired on March 30, 2022 from their Chase Bank account to Chase Bank account number XXXXXX8650. Pastore stated that after receiving a third email with similar, fraudulent payment instructions, they began an internal review, and discovered the discrepancies in the emails. Pastore advised that contact was made with GWAM and it was discovered that GWAM never received either of the two wire transfers totaling \$12,690,977.00, and that they never sent an email changing payment instructions to Chase Bank.

On or about April 15, 2022, Affiant again spoke with an investigator at Wells Fargo Bank regarding the \$5,000,000.00 deposited into account number XXXXX4127, in the name of Howard Nelms and Madeleine Nelms, who are located in Canyon Lake, TX. The investigator advised that approximately \$1,500,000.00 remained in the account on hold, and the rest was dispersed out of the account via multiple wire transfers conducted by Howard Nelms as follows:

<u>DATE</u>	<u>BANK / BENEFICIARY</u>	<u>AMOUNT</u>
March 25, 2022	Truist /Lorium Law	\$2,423,358.00
March 25, 2022	Bank of America /Sondra A. Nelms	\$410,000.00
March 28, 2022	Midfirst Bank /Weber Associates LLC	\$50,000.00
March 28, 2022	Bank of America /Sondra A. Nelms	\$77,000.00
March 28, 2022	Wells Fargo Bank /Navient Corporation	\$64,000.00

March 31, 2022	TD Bank/Brandon Caston	\$102,000.00
April 04, 2022	Chase Bank/Sondra Nelms	\$75,000.00
April 06, 2022	Wells Fargo Bank /Sheldon J. Vann	\$142,149.79

Multiple attempts were made to interview Howard Nelms about the \$5,000,000.00 deposited into his account and the subsequent wire transfers which reasonably appear to be in furtherance of the conspiracy. On May 02, 2022, Affiant received a telephone call from attorney Sheldon Vann, who said he represented Howard Nelms. Vann explained that his client got “mixed up” in a cryptocurrency scam involving the purchase of ‘discounted’ Bitcoin”, and that his firm received funds originating from this scam for work that was provided to his client. Vann stated that he was willing to return the funds to the victim. Vann also stated that Nelms was in contact with two individuals known to him as Quinten Weber and Ray Purslley. These two individuals purported to be the owners of the funds, and represented that the funds were related to real estate transactions. They directed Nelms to purchase Bitcoin on their behalf for “investment purposes”. Vann advised that his client was unaware of the actual source of the funds, that in fact the funds originated from KKR. Vann advised that his client wired the funds to different brokerage accounts at the direction of Quinten Weber and Ray Purslley. Vann advised that his client would cooperate in any way necessary. To date, agents involved in this investigation have been unable to identify Quinten Weber and Ray Purslley.

In furtherance of the investigation, Affiant learned that on March 25, 2022, \$2,423,358.00 was wired from Wells Fargo Bank account number XXXXX4127 to Truist Bank account number XXXXX8559, in the name of Lorium Law, located in Ft. Lauderdale, FL.

On or about April 15, 2022, Affiant contacted an investigator with Truist Bank to confirm

the \$2,423,358.00 wire transfer on March 25, 2022. The investigator advised that on the same day, March 25, 2022, \$2,400,000.00 was wired from account XXXXXX8559 to Bank of Oklahoma (BOKF) account number XXXXXX5165, in the name of Going for Broke LLC.

On or about April 19, 2022, Affiant contacted an investigator with Bank of Oklahoma and confirmed the \$2,400,000.00 wire deposit into account number XXXXXX5165 on March 25, 2022. The investigator advised that the account was virtually depleted with most of the funds wired to the United Kingdom (UK), as illustrated below:

DATE	INSTITUTION / ACCOUNT NUMBER	AMOUNT
March 28, 2022	BOKF / XXXXXX9187	\$20,000.00
March 28, 2022	Revolut LTD, UK / XXXXXX5108	\$800,000.00
March 28, 2022	Tide Bank, UK / XXXXXX8531	\$777,225.40
March 28, 2022	NationWide, UK / XXXXXX8375	\$800,000.00

The investigator further stated to Affiant that between April 19, 2022 and September 21, 2022, BOKF worked diligently to recall the three large wire transfers that were sent to the UK. BOKF advised of the following wire recalls to account number XXXXXX5165:

DATE	FINANCIAL INSTITUTION	AMOUNT
May 19, 2022	Revolut	\$309,581.65
June 06, 2022	NationWide	\$653,425.44
June 29, 2022	Revolut	\$29,683.59
September 21, 2022	Tide	\$567,028.28

Affiant learned from the investigator at BOKF that a total of \$1,562,344.27 was available

for recovery from account number XXXXXXX5165 and \$11,512.36¹ was available for recovery from account number XXXXXXX9187.

Affiant believes, based on available information, that the account recipients in this case appear to be “money mules” who believed they were participating in legitimate business transactions involving high dollar purchases of cryptocurrency.

Affiant also learned that between various wire recalls and seizure warrants, KKR has recovered approximately \$9,000,000.00 of the \$12,690,977.00 loss.

On October 12, 2022, seizure warrant SA-22-MJ-1543-HJB was executed on the Bank of Oklahoma for funds in account number XXXXXXX5165. On October 24, 2022, the USSS received a check from the Bank of Oklahoma in the amount of \$1,562,344.27, the Respondent Property.

These facts reasonably establish that the Respondent Property constitutes or derives from proceeds traceable to violations of Title 18 U.S.C. §§ 1343 & 1349, and the Respondent Property is thereby subject to civil forfeiture pursuant to Title 18 U.S.C. § 981(a)(1)(C).

V.
PRAYER

WHEREFORE, Petitioner, United States of America, prays that due process issue to enforce the forfeiture of the Respondent Property, that due notice pursuant to Rule G(4) be given to all interested parties to appear and show cause why forfeiture should not be decreed,² and in accordance with Rule G of the Supplemental Rules for Admiralty or Maritime Claims and Asset

¹ Affiant advises that \$11,487.55 was the actual amount seized, and it has been administratively forfeited by the USSS.

² Appendix A, which is being filed along with this complaint, will be sent to those known to the United States to have an interest in the Respondent Property.

Forfeiture Actions, FED. R. CIV. P., that the Respondent Property be forfeited to the United States of America, that the Property be disposed of in accordance with the law and for any such further relief as this Honorable Court deems just and proper.

Respectfully submitted,

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United States Attorney

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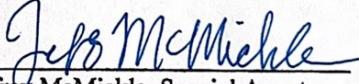
VERIFICATION

Special Agent Jeffrey McMickle, declares and says that:

1. I am an Agent with the United States Secret Service, assigned to the San Antonio Field Office, and I am the investigator responsible for the accuracy of the information provided in this litigation.
2. I have read the above Verified Complaint for Forfeiture and know: the contents thereof; the information contained in the Verified Complaint for Forfeiture has been furnished by official government sources; and the allegations contained in the Verified Complaint for Forfeiture are true based on information and belief.

Pursuant to Title 28 U.S.C. 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 8, 2023.



Jeffrey McMickle, Special Agent
United States Secret Service